

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 09-033

ORDER OF NOTICE

On February 20, 2009, Public Service Company of New Hampshire (PSNH) filed a petition seeking authority to issue up to \$150 million in principal amount of long-term debt securities through December 31, 2009, to mortgage its property in connection with the issuance of long-term debt, to enter into an interest rate transaction to manage interest rate risk, and to increase its short-term debt limit to ten percent of next fixed plant plus a fixed amount of \$60 million. According to PSNH, the proposed long term debt issuance will be used to refinance its short term debt, to finance anticipated capital expenditures and to pay for issuance costs.

PSNH stated that its current short-term debt limit at ten percent of net fixed plant is approximately \$139 million and, as of January 30, 2009, it had approximately \$37.8 million of short term debt outstanding. According to PSNH, short term debt has been incurred to finance the recent ice storm recovery as well as generation, distribution and transmission system expenditures. In addition, PSNH continues to invest in new capital additions and needs funds for working capital, including items such as emergency storm restoration, for which it has to rely heavily on short-term borrowings. To manage short-term liquidity needs and peak borrowing days, PSNH seeks authority to increase its short-term debt limit above the ten percent limit by an additional fixed amount of \$60 million for a period of time until otherwise ordered by the Commission.

In connection with its proposed issuance of \$150 million in long term debt, PSNH requests an increase over its previously allowed credit spread of 400 basis points (4.00%) to a

maximum of 600 basis points (6.00%) to reflect recent credit tightening of the fixed income markets. In addition, PSNH requests permission to use an interest rate lock or swap to manage interest rate risk associated with the proposed long-term debt.

The filing raises, inter alia, issues related to RSA 369, the proposed uses of the funds and whether the issuance of up to \$150 million of long-term debt, the mortgaging of property, the execution of an interest rate transaction and a permanent increase in PSNH's short-term debt limits are in the public good. Each party has the right to have an attorney represent them at their own expense.

Based upon the foregoing, it is hereby

ORDERED, that a Prehearing Conference, pursuant to N.H. Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on March 24, 2009 at 10:00 a.m., at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in N.H. Admin. Rule Puc 203.15 shall be considered; and it is

FURTHER ORDERED, that, immediately following the Prehearing Conference, PSNH, the Staff of the Commission and any Intervenors hold a Technical Session to review the petition and allow PSNH to provide any amendments or updates to its filing; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.12, PSNH shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than March 11, 2009, in a newspaper with general circulation in those portions of the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before March 24, 2009; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. Rules Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to PSNH and the Office of the Consumer Advocate on or before March 19, 2009, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Admin. Rule Puc 203.17 and RSA 541-A:32,I(b); and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before March 24, 2009.

By order of the Public Utilities Commission of New Hampshire this sixth day of March, 2009.

Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability, should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.